BRITISH COLUMBIA
The Best Place on Earth

BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 07-41 October 12th, 2007

- **65% of BC adults had average or high literacy skills in 2003, well above the Canadian average**
- **The value of BC exports fell 5.8% in August**
- **Housing starts continue to climb, rising 14.4% in September**

Education

- **The share of BC's adult population who are highly educated is among the highest in the country.** In 2003, 39% of British Columbians aged 16 to 65 had some post-secondary education. The share of BC's adults with upper levels of educational attainment was on par with the Canadian average, but higher than most other jurisdictions. The proportion of highly educated was also particularly high in the Yukon (40%), Ontario (42%) and Alberta (42%). However, in New Brunswick, Newfoundland and Nunavut, the share dipped approximately ten percentage points below average. British Columbians also score comparatively well in literacy skills with 65% of adults performing at or above the desired literacy threshold on Canada's document literacy scale in 2003. This proportion was among the highest in the country and was well above the Canadian average (56%). In the same year, the percentage of adults participating in courses, programs and other forms of adult education and training was highest in BC (57%), followed closely by Alberta, Saskatchewan and Nova Scotia.

  Canadian adult education participation rates were somewhat lower than those of some other countries in 2003, such as the U.S., Norway and Switzerland. Canadians who were least likely to participate in adult learning had low levels of literacy skills, were older and were more likely to be women and/or immigrants.

  Data Source: S.C. Cat. #89-552 no.17

Family Violence

- **Between 1975 and 2005, the rate of spousal homicides in Canada declined by more than half.** In 2005, 74 spousal homicides were reported to police, representing an overall rate of 4.3 per million spouses. Over the 30 year period, the rate for female victims dropped 57% (from 16.4 per million married women to 7.1), while the rate for male victims dropped 76% over the same period (from 5.9 to 1.4). Despite the overall decline in spousal homicide rates, women continue to be far more likely than men to be killed by their spouse. Over the same period, the rate of spousal homicide against females has remained three to five times higher than against males. *Data Source: SC, Cat. # 85-224-XIE*

The Economy

- **Exports of BC products slipped (-5.8%, *seasonally adjusted*) in August, following a relatively flat July.** A 19.6% slump in exports of energy helped drive overall exports down and shipments of industrial and consumer (-7.9%) and forestry products (-1.3%) also decreased. Increases in the value of shipments of agriculture & fish (+7.3%) and machinery & auto equipment (+0.4%) products were not able to offset the declines.

  Exports to the US were down 2.1% in August. Increases in all other major commodity groups were not enough to offset a decline in the value of energy shipments (-23.3%). Despite increases in the value of overseas shipments of agriculture & fish products (+12.5%), exports to destinations other than the US were substantially lower (-11.3%), reflecting downturns across four other major commodity groups.

  At the national level, goods exports fell 1.8%. Industrial goods (-9.0%) and automotive products (-6.0%) were among commodities pulling exports down. Solid increases in shipments of machinery & equipment (+6.6%) and agriculture & fishing (+5.4%) products were not enough to offset the declines. Canadian exports to the US (-1.9%) and the European Union

Report Canada Weighs Anchor on Free Trade with EFTA

Did you know...
Nearly four-in-ten Canadian adults (37%) have visited online social networks and three-in-ten (29%) have a personal profile on one. *Source: Ipsos Canada*

(-3.1%) decreased in August, but commodities sent to Japan (+1.9%) were up.

Data Source: Statistics Canada & BC Stats

- **Investment in non-residential building construction in the province increased 2.1% (*seasonally adjusted*) to $1.5 billion in the third quarter of 2007.** Investment growth was driven by the commercial (+4.3%) and industrial (+7.2%) sectors, which offset a drop in spending on institutional & government buildings (-4.3%).

  Non-residential building construction activity continued to increase in Victoria (+7.5%), rising to $112 million. Kelowna showed significant growth (+28.5%, to $64 million), while investment in Vancouver rose a steady 4.9% (to $884 million). On the other hand, spending was down significantly in Abbotsford (-13.3% to $62 million).

  Nationally, non-residential construction expenditures grew a solid 4.9% in the third quarter. Robust office building construction activity in Alberta, Quebec and Ontario bolstered growth in the commercial sector (+5.2%). The institutional & government (+5.3%) component reached a new record as a result of increased spending on educational and health care building construction, and investment in industrial construction (+3.1%) increased for second consecutive quarter. Provincially, Alberta (+4.0% to $2.4 billion), Ontario (+5.4% to $3.8 billion) and Quebec (+7.8% to $1.7 billion) recorded by far the biggest third-quarter increase in terms of dollar value. Non-residential building construction was down in Nova Scotia (-0.4%) and PEI (-4.3%). *Data Source: Statistics Canada*

- **Housing starts in the province jumped 14.4% (*seasonally adjusted*) in September, building on a 5.6% increase the previous month.** Canadian starts climbed 19.6% as new home building activity soared in both Quebec (+38.3%) and Ontario (+21.7%). Starts were also up in the rest of the country, with gains in other provinces ranging from 2.0% in New Brunswick to 16.7% in PEI. Nova Scotia (-1.8%) and Manitoba (-18.6%) were the only provinces to post declines. *Data Source: Statistics Canada*

- **The cost of new housing in BC's two largest metropolitan areas continued to rise in August.** In Victoria, new housing prices were slightly higher (+0.4%) than in the same month of 2006, while home builders in the Vancouver area received an average of 6.6% more for their projects. Although building prices in the capital city were lower (-6.9%) than in August of last year, rising land prices (+12.7%) continued to boost selling prices of new homes. In Vancouver, on the other hand, the increase in the cost of houses (+8.1%) outpaced that of land (+4.2%).

  Nationally, the cost of new housing advanced 6.5% during the twelve-month period ending in August. With the exception of Windsor (-2.8%), all 21 metropolitan areas surveyed showed increases in the cost of buying a new home. With its high demand for new housing along with higher material and labour costs, Saskatoon continued to lead the country, posting a whopping 53.6% increase in new housing costs over August of last year. After Saskatoon, the most inflationary new housing markets were in Edmonton (+30.2%) and Regina (+29.2%). *Data Source: Statistics Canada*

Trucking

- **Canadian trucking carriers hauled almost 72 million tonnes of freight from BC to various destinations in 2005.** Most freight was transported within the province (61.0 million tonnes), while the rest was hauled to other parts of the country (7.4 million tonnes) and to the US or Mexico (3.2 million tonnes). Canadian trucking companies transported over 615 million tonnes of freight across the country and trans-border in 2005. Domestic shipments accounted for 85% of truck traffic. Trans-border shipments generated 35% of total revenue, while representing only 15% of overall shipments. In terms of weight, the top two commodities hauled were wood products (9%), and base metals (7%). Ontario generated over a third (36%) of the country's domestic trucking activity, with almost 222 million tonnes of freight originating in that province.

Data Source: Statistics Canada

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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Originally published in
Exports Issue 07-07

Canada Weighs Anchor on Free Trade with EFTA

Canada has reached a free trade agreement with the countries of the European Free Trade Association (EFTA): Norway, Switzerland, Iceland and Liechtenstein. The agreement, reached in June, is the first new free trade deal signed by Canada since the agreement with Costa Rica in 2001 and marks a departure from the strategy of concentrating on achieving a global free trade agreement through World Trade Organization (WTO) negotiations. With the failure to achieve a deal in the Doha round of the WTO talks and the movement by many of Canada's competitors on bilateral free trade deals, the Canadian government felt it could no longer be complacent with regard to seeking its own bilateral deals. The success of the United States, in particular, has put pressure on Canada to protect its interests. The US has approved seven deals with 12 different countries in the last several years.

While this deal may appear to the casual observer to be of little significance, the fact is that EFTA was the tenth-largest trader of merchandise and the fifth-largest trader of commercial services in the world in 2005, and the combined GDP of the EFTA countries was $704 billion[1]. Two-way commodity trade between Canada and the EFTA members amounted to $10.7 billion in 2006. Two-way trade in services between Canada and Norway was $559 million in 2005 (the latest year for which data is available), while $1,357 million in services were transacted between Canada and Switzerland. There was also a substantial flow of investment between Canada and the EFTA countries. In 2005, Canadian direct investment in EFTA nations was valued at approximately $7.4 billion, while foreign direct investment into Canada from EFTA countries was close to $15 billion.

Canada-EFTA Investment, 2005

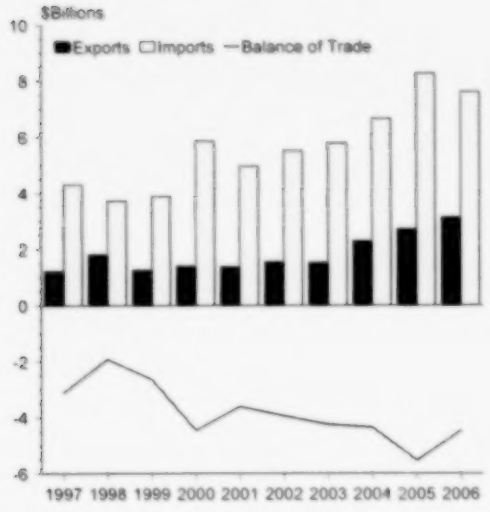
$Millions	Canadian investment abroad	Foreign direct investment in Canada
Iceland	$1,505	n/a
Liechtenstein	n/a	$138
Norway	$691	$1,759
Switzerland	$5,212	$13,048

n/a denotes "not available"
Source: Statistics Canada

Trade in both goods and services is weighted more toward imports, such that Canada has a significant trade deficit with the EFTA countries. In 2006, Canada exported approximately $3.1 billion worth of goods to EFTA (including $0.2 billion in re-exports) and imported $7.6 billion from those countries, resulting in a commodity trade deficit of almost $4.5 billion. In 2005, Canada exported about $840 million in services to Norway and Switzerland (data for Iceland and Liechtenstein are not available) and imported $1,076 million, for a trade deficit of $236 million.

[1] Source: Foreign Affairs and International Trade Canada News Release: "New Free Trade Deal Caps Successful Year for Canada in Global Commerce," June 7, 2007.

Canada imports far more goods from EFTA than it exports

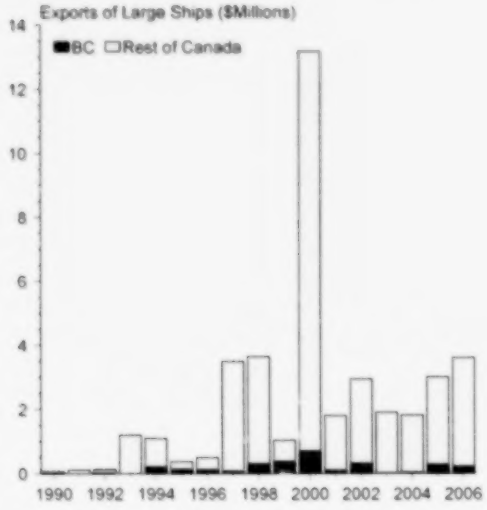


Source Statistics Canada

The benefits to Canada of the free trade deal with EFTA include the elimination of all tariffs on Canadian industrial exports, better access for Canadian agricultural goods and the removal of EFTA export subsidies on selected agricultural products. One key area where Canada had to make concessions was with regard to the removal of tariffs protecting Canada's shipbuilding industry. Canada has agreed to start phasing out the 25% tariff over a 15 year period, with the first reductions to begin in three years. Considering that Norway and Iceland are both among the world's leaders in ship construction, this concession has Canada's shipbuilding industry concerned.

Canada's exports of large ships (ferries, tankers, cargo vessels, etc.) are relatively small, but competition from countries with well developed maritime construction industries could affect production for the domestic market as well. In British Columbia, local shipyards have already had to deal with the loss of a contract for three new ferries to a company in Germany. The prospect of having to face a much larger competitor such as the shipbuilding sectors in Norway and Iceland without the benefit of tariff protection has them worried about the domestic industry's survival.

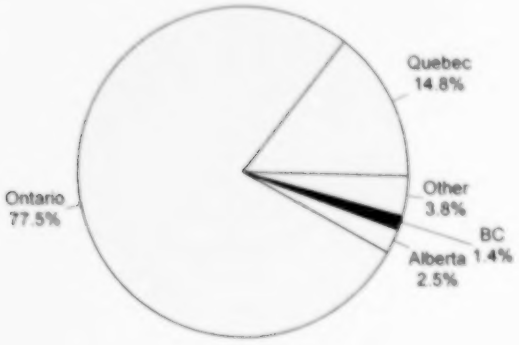
Canada's shipbuilding industry is worried that the EFTA trade deal will harm the domestic industry



Source Statistics Canada

At present, British Columbia exports very little to the four nations in the EFTA group. In 2006, only 1.4% of all Canadian goods shipped to EFTA countries originated in British Columbia. This amounted to just over $40 million, or only 0.1% of the province's total value of commodity exports. Taken together, the four countries ranked 30th as a destination for BC exports in 2006. British Columbia ranked fourth in the country as an origin of exports to EFTA behind Ontario (77.5%), Quebec (14.8%) and Alberta (2.5%).

Most of Canada's exports to EFTA originate in Central Canada



Source: Statistics Canada

However, part of the reason for the lack of exports to this region could be due to the tariffs on Canadian goods. Among the goods slated for tariff removal are forest products and aluminum. The elimination of these tariffs could help boost BC's exports to EFTA for these types of goods.

The EFTA countries are not a significant destination for BC exports

Source: Statistics Canada

The Canada-EFTA free trade agreement is just the first of what the federal government hopes will be many more bilateral free trade deals to be negotiated. Canada is deep into talks with South Korea and is pursuing agreements with Singapore, Vietnam and Indonesia. More recently, the federal government launched negotiations with the Dominican Republic and the Andean Community countries of Peru and Colombia and hopes to expand talks to Bolivia and Ecuador. Canada is also interested in a deal with Caricom, the Caribbean group of countries. In absence of a global trade agreement, it is likely Canada will continue to pursue these bilateral deals to protect its markets and develop new ones.

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Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/07	% change on one year ago
BC	4,380.3	1.4
Canada	32,976.0	1.0
GDP and INCOME (Released Apr 25)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jul	3,461	-0.5
Merchandise Exports - Aug	2,480	-5.8
Retail Sales - Jul	4,734	0.0
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Aug 2007)		
BC	1.3	1.7
Vancouver	1.7	2.2
Victoria	0.6	1.2
Canada	1.7	1.7
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Sep '07	
Labour Force - BC	2,370	0.4
Employed - BC	2,267	0.0
Unemployed - BC	103	9.3
		Aug '07
Unemployment Rate - BC *(percent)*	4.3	4.0
Unemployment Rate - Canada *(percent)*	5.9	6.0
INTEREST RATES (percent)	Oct 10/07	Oct 11/06
Prime Business Rate	6.25	6.00
Conventional Mortgages - 1 year	7.05	6.40
- 5 year	7.19	6.60
US/CANADA EXCHANGE RATE	Oct 10/07	Oct 11/06
(avg. noon spot rate) Cdn $ per US $	0.9814	1.1358
(closing rate) US $ per Cdn $	1.0202	0.8797
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Sep '07	
BC	754.74	3.4
Canada	766.03	4.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC High Technology Profile

The 2007 Edition of the high technology profile looks at the sector in BC through an examination of key indicators such as GDP, revenue, employment, wages and salaries, establishment counts and international trade. It also offers comparisons with other provinces and US states to give a picture of the relative size of BC's industry.

www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Environmental Statistics Portal

A new Environmental Statistics page with links to a variety of data and reports related to different environmental issues has been added to the site. The first issue of a new BC Stats periodical, "Environmental Statistics," can be accessed from this page. It is a reprint of an "Exports" article, with some additional data tables.

www.bcstats.gov.bc.ca/data/env/env_stat.asp

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Released this week by BC Stats

- Tourism Sector Monitor, September 2007
- Exports, August 2007

Next week

- Consumer Price Index, September 2007

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